

Message Text

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51

ACTION SS-25

INFO OCT-01 ISO-00 /026 W

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R 091400Z DEC 74

FM AMEMBASSY CAIRO

TO SECSTATE WASHDC 700

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EXDIS

DEPT PASS TREASURY FOR ASST SECRETARY PARSKY

E.O. 11652: GDS

TAGS: ECON EG

SUBJECT: PROSPECTS FOR MULTIPLE CONTRACT SIGNING IN DECEMBER

1. WHEN FORMER TREASURY SECRETARY GEORGE SCHULTZ WAS HERE LAST MONTH, HE PROPOSED DESIRABILITY OF SIGNING FOUR OR FIVE PROJECTS INVOLVING US FIRMS DURING THE MONTHS OF DECEMBER FOR IMPACT PURPOSES. ASEC SECRETARY PARSKY ALSO MENTIONED THE IDEA TO HEGAZI, WHO AGREED IN PRINCIPLE.

2. WE CONCUR IN CONEPT AND HAVE MENTIONED IT TO SEVERAL AMERICAN FIRMS. PROBLEM IS WHETHER NEGOTIATIONS BETWEEN AMERICAN FIRMS AND EGYPTIANS ARE FAR ENOUGH ALONG TO PERMIT CONTRACT SIGNING. EGYPTIANS ARE HARD BARGAINERS, AMERICAN REPRESENTATIVES ARE UNDERSTANDABLY CAUTIOUS AND NEGOTIATIONS TEND TO PROCEED SLOWLY. THERE IS POSSIBILITY AMERICAN MOTORS JEEP CONTRACT MAY BE SIGNED THIS MONTH. HOWEVER, WHEN AMBASSADOR SPOKE TO TAHIR AMIN LAST NIGHT ABOUT DESIRABILITY OF SUCH MULTIPLE IMPACT SIGNING AND QUERIED POSSIBILITY OF GOODYEAR AND UNION CARBIDE FEASIBILITY STUDY BEING MOVED ALONG EXPEDITIOUSLY, AMIN CONCURRED IN PRINCIPLE, BUT EXPRESSED DOUBT THAT EITHER OF THESE TWO WILL BE FAR ENOUGH ALONG BY END DECEMBER TO SIGN. HE CLAIMED HE HAD JUST RECEIVED GOODYEAR AND UNION CARBIDE PROPOSALS AND HE AND HIS

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AUTHORITY FOR ARAB AND FOREIGN INVESTMENT COLLEAGUES WILL

NEED AT LEAST THREE WEEKS TO STUDY THEM. HE SUGGESTED
PERHAPS SUCH MULTIPLE SIGNING MIGHT TAKE PLACE IN JANUARY.

3. A NUMBER OF OIL EXPLOITATION CONTRACTS INVOLVING
AMERICAN FIRMS ARE EXPECTED TO BE SIGNED THIS MONTH AND
WE WILL KEEP DEPT INFORMED OF THESE.

4. WE WILL CONTINUE URGE SUCH MULTIPLE SIGNING AT EARLIEST
POSSIBLE MOMENT, BUT THE PACE OF NEGOTIATIONS DEPENDS ON
EGYPTIAN AND AMERICAN NEGOTIATORS, NEITHER OF WHOM SHOW
ANY WILLINGNESS TO BE RUSHED.

EILTS

NOTE BY OC/T: NOT PASSED ABOVE ADDRESSEE.

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